

**Fitchburg Gas and Electric Light Company  
Residential Enhanced Metering Options  
One Time Fee**

1	<b><u>Option One - Residential:</u></b>		
2			
3	Hourly Reporting Equipment - FG&E Owned Equipment		
4	Incremental Cost of Residential Meter with Remote Metering Capability:		
5			
6		<b>Amount</b>	<b>Notes:</b>
7	Remote Meter (AIM module)	\$ 100.00	1
8	Cost of Labor ( One Meter Mechanic 1.5 Hours @ \$23.43/hr)	\$ 35.15	2
9	Labor - Related Overheads	\$ 46.04	3
10	Transportation	\$ 7.00	4
11	Estimated Material (Telephone line surge suppressor, misc. wire, tape, etc.)	<u>\$ 35.00</u>	
12			
13	<b>One Time Fee for Residential Option One</b>	<b>\$ 223.19</b>	

- 1 Remote Meter cost based on quote received from vendor.
- 2 Labor cost based hourly wage of Meter Mechanic effective June 1, 2001 per union labor agreement.
- 3 Based upon April 1, 2001 direct labor overhead rate of 131%.
- 4 Based upon \$0.70/mile transportation rate for vehicle during 2001 and estimated trip of 10 miles.

**Fitchburg Gas and Electric Light Company  
General Service Enhanced Metering Options  
One Time Fee**

1	<b><u>Option One - General Service:</u></b>		
2			
3	Hourly Reporting Equipment - FG&E Owned Equipment		
4	Incremental Cost of Residential Meter with Remote Metering Capability:		
5			
6		<b>Amount</b>	<b>Notes:</b>
7	Remote Meter (KYZ module + pulse interface + AIM ComModule)	\$ 241.50	1
8	Cost of Labor ( One Meter Mechanic 1.5 Hours @ \$23.43/hr)	\$ 35.15	2
9	Labor - Related Overheads	\$ 46.04	3
10	Transportation	\$ 7.00	4
11	Estimated Material (Telephone line surge suppressor, misc. wire, tape, etc.)	<u>\$ 35.00</u>	
12			
13	<b>One Time Fee for General Service Option One</b>	<b>\$ 364.69</b>	

- 1 Remote Meter cost based on quote received from vendor.
- 2 Labor cost based hourly wage of Meter Mechanic effective June 1, 2001 per union labor agreement.
- 3 Based upon April 1, 2001 direct labor overhead rate of 131%.
- 4 Based upon \$0.70/mile transportation rate for vehicle during 2001 and estimated trip of 10 miles.

**Fitchburg Gas and Electric Light Company  
Calculation of Monthly Charge for Enhanced Metering  
Residential Service**

1	<b><u>Residential - Option 1:</u></b>		
2		<u>Amount:</u>	Notes:
3	Total Installation Cost of Enhanced Metering Equipment		
4	for this Option per Page 1 of 5	\$ 223.19	1
5			
6	Annual Carrying Charge	<u>49.90%</u>	2
7			
8	Annual Enhanced Metering Charge	\$ 111.38	3
9			
10	<b>Monthly Enhanced Metering Charge</b>	<b>\$ 9.28</b>	4

- 1 Residential Option One one-time cost
- 2 Annual Carrying Charge per Page 5 of 5
- 3 Line 4 times Line 6
- 4 Line 8 divided by twelve

**Fitchburg Gas and Electric Light Company  
Calculation of Monthly Charge for Enhanced Metering  
General Service**

1	<b><u>General Service - Option 1:</u></b>		
2			Notes:
3	Total Installation Cost of Enhanced Metering Equipment	<u>Amount:</u>	
4	for this Option per Page 1 of 5	\$ 364.69	1
5			
6	Annual Carrying Charge	<u>49.90%</u>	2
7			
8	Annual Enhanced Metering Charge	\$ 182.00	3
9			
10	<b>Monthly Enhanced Metering Charge</b>	<b>\$ 15.17</b>	4

- 1 General Service Option One one-time cost
- 2 Annual Carrying Charge per Page 5 of 5
- 3 Line 4 times Line 6
- 4 Line 8 divided by twelve

**Fitchburg Gas and Electric Light Company**  
Annual Carrying Charge  
Enhanced Metering  
(No change from approval effective July 1, 2001)

1	Total Cost of Capital			9.19%	Notes: 1
2					
3	<u>Income Taxes:</u>	<u>Rate</u>			
4					
5	Federal (FIT)	34%		2.55%	1
6					
7	State (SIT)	6.5%		0.52%	1
8					
9	Depreciation Expense			33.33%	2
10					
11			Average		
12			Depreciable		
13		<u>Expense</u>	<u>Plant in Svc.</u>		
14					
15	Property Taxes	\$ 714,288	\$ 70,276,937	1.02%	3
16					
17	Pensions & Benefits	\$ 148,559	\$ 70,276,937	0.21%	3
18					
19	Employment Taxes	\$ 123,345	\$ 70,276,937	0.18%	3
20					
21			Average		
22			Depreciable		
23			<u>Dist. Plant in Svc.</u>		
24					
25	Dist. O&M Expense	\$ 1,495,935	\$ 51,561,514	<u>2.90%</u>	3
26					
27	Total Carrying Charge			<u><u>49.90%</u></u>	

- 1 Recommended Cost of Capital per pending DTE Docket 99-118, see below  
2 Three year recovery schedule  
3 From 2000 FG&E FERC Form 1

FG&E Capital Structure as of 12/31/00

		<u>Cost</u>	<u>Weight</u>	<u>Weighted</u> <u>Cost</u>	<u>Fed</u> <u>Tax Calc</u>	<u>Tax affected</u> <u>Wted cost</u>	<u>State</u> <u>Tax Calc</u>	<u>Tax affected</u> <u>Wted cost</u>
LT Debt	\$ 54,000,000	7.56%	55.95%	4.23%	1.00	4.23%	1.00	4.23%
Preferred Stock	\$ 2,235,640	6.89%	2.32%	0.16%	1.52	0.24%	1.07	0.26%
Common Equity	<b>\$ 40,285,726</b>	<b>11.50%</b>	41.74%	4.80%	1.52	7.27%	1.07	7.78%
	\$ 96,521,366		100%	9.19%	2.55%	11.74%	0.52%	12.27%